

City of Ashland

Affordable Housing Action Plan

Prepared for

City of Ashland, Oregon

by

Sextant Consultants, Inc.

3333 N.E. 18th Avenue
Portland, OR 97212
(503) 282-7807

Cogan Owens Cogen

813 S.W. Alder, #320
Portland, OR 97205
(503) 225-0192

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ASHLAND AFFORDABLE HOUSING ACTION PLAN

1. EXECUTIVE SUMMARY

Disappearing affordability

For the past dozen years, Ashland made efforts to provide more affordable housing for those who live and work in Ashland. Land use regulations were adopted to promote affordable housing. The City received Community Development Block grant funds and used them in recent years for housing. The City created the Housing Commission that prepared housing reports in 1990 and 1995 pointing out the need for more affordable housing. The City supported efforts by non-profit organizations to build affordable housing in Ashland.

In spite of these efforts, the housing situation is getting worse for people with low and moderate incomes. The median sales price of a house increased 50% from 1998 to 2001 when it reached \$277,742. Yet in 2001, the median household income in Ashland was \$35,706. Using a standard multiplier of 2.5, the average household can afford to buy a house worth \$90,000. This is not a problem of just low-income households. Housing affordability is a problem for persons with moderate incomes.

About half of employees of Ashland's major employers cannot afford housing in Ashland. These employers include the Ashland Community Hospital, the Southern Oregon University, the City of Ashland, the Ashland School District, and the Oregon Shakespeare Festival. An indication of the disappearing availability of affordable housing is that land zoned for multi-family housing -- typically less expensive than single family housing -- is being developed with single family homes.

With such strong market forces, Ashland is in danger of losing its economic diversity as owners and renters get squeezed out of an escalating housing market. The fabric of the community is threatened by declining school populations and impending school closure, caused by the widespread inability of families with young children to purchase housing in Ashland that is affordable to them.

A detailed analysis of incomes and housing costs are contained in the ECONorthwest report, "City of Ashland Needs Analysis," April 2002.

Actions for affordable housing

This plan recommends a number of strategies that Ashland can take to address the problem of affordable housing. The strategies are:

1. Provide funding for affordable housing.

The crux of providing affordable housing is finding ongoing funding sources to finance the development of affordable housing. The plan recommends creating a Housing Trust Fund with

dedicated funding sources. Possible sources are identified. Deciding on sources will require both study and building a consensus for adopting legislation for the fund.

2. Reduce development and operating costs.

Ashland has adopted several measures to defer systems development fees for affordable housing developments. Additional measures could further reduce planning and development fees and utility costs. Ashland should continue this approach while determining an annual limit so that the impact on the City's budget can be known and planned for.

3. Adopt land use regulations to promote affordable housing.

The City is in a position to use its land use and zoning authority to assist in developing affordable housing. Recommendations include: rezoning land to multi-family use, identifying target properties for affordable housing that takes advantage of new state laws for tax exemptions, examining the feasibility of expanding the Urban Growth Boundary for a property owned by the school district, restricting single family housing in land zoned for multi-family use, permitting accessory units in single family zones, and encouraging and promoting development on small lots in new subdivisions.

4. Preserve and create affordable housing.

Affordable housing can be developed and kept permanently for low and moderate income households leveraging funds from State and Federal housing programs where the development is by non-profits or by the Jackson County Housing Authority. Where the City assists affordability through the waiver of development or utility fees, the City should adopt a policy requiring long-term affordability for a period of 60 years as required in City ordinances on affordable housing.

5. Develop organizational capability.

To provide a focus for its affordable housing efforts the City should immediately create a full-time position of a Housing Coordinator to enable the development of affordable housing and seek auxiliary funding sources to improve price and costs of housing for low and moderate income households. The Housing Coordinator should develop good working relationships with non-profit housing organizations. The Housing Commission will play an important role in Ashland's affordable housing program.

6. Build understanding and support for affordable housing.

The Housing Commission should develop a public information program to explain the need and benefits of affordable housing and build support for actions needed to develop and preserve affordable housing. Other actions include preparing an Annual Housing Report, and holding an Annual Affordable Housing Conference.

2. BACKGROUND

When Ashland formed an Affordable Housing Committee in 1990 to find ways to preserve the diversity and character of the community, there was growing concern that housing prices were outstripping incomes of Ashland residents. In spite of a number of constructive efforts by the City to change its land use and housing codes to promote affordable housing, the situation is worse now than when the first affordable housing study was completed 12 years ago. This is due to strong market forces that drive up the price of housing.

Housing affordability directly affects people who live and work in Ashland. It is a particular problem for renters, unlike owners who benefit from equity increases in their homes. Housing costs are also a problem for first-time home buyers -- workers moving to Ashland, or sons and daughters of residents who want to remain in the community they grew up in, but cannot find housing within their means.

The City of Ashland commissioned a two-part study to assess needs and provide an action plan for affordable housing. The overall goal of this effort is:

To develop an overall Affordable Housing Action Plan to provide a stable supply of affordable housing for current and future residents of Ashland at all income levels

A. Needs Analysis

The "City of Ashland Housing Needs Analysis" prepared by ECONorthwest in March 2002 describes a community where housing affordable to all segments of the community is becoming a more and more a difficult goal. Following are excerpts from the study.

- Fewer households own housing in Ashland compared to other areas.
(52% Ashland, 58% Medford, 67% Jackson County, 64% Oregon)
- Service and retail sales, the fastest growing employment sectors in Ashland do not pay enough for households to afford fair market rents. Rent was \$601 in 2001 for a two-bedroom unit without essential utilities while the average annual service job salary was \$20,942 in 2000. The average service wage enabled a renter to pay \$523 with all essential utilities, an effective gap of nearly \$200 per month. Home ownership was completely out of the question.
- Housing prices increased 50% between 1998 and 2001 to an average sales price of \$277,742.
- Ashland is falling short of providing rental housing. Between 1990 and 2001 91% of all housing built was for single family, owner-occupied units.
- Ashland has a large deficit of affordable owner-occupied housing units. Less than 4% of single-family dwellings are valued below \$101,000, the maximum a household earning the median income can afford.

- Ashland has a relatively small inventory of land zoned for multi-family housing. Single family homes are often built on land zoned for multi-family housing thus reducing the supply of available land for multi-family units.
- Approximately half of workers for the City, Ashland Community Hospital, Southern Oregon University, and the Ashland School District live outside of Ashland, in part because of high housing costs in Ashland. This results in higher transportation costs, more road requirements, fewer children and young people in the community, and lack of long-term sustainability.

The ECO Northwest Report made the following recommendations:

1. Encourage more multi-family housing by increasing the supply of land zoned for multi-family housing, restricting the use of multi-family land for single family housing, and encouraging redevelopment or reuse of structures.
2. Encourage more affordable single-family housing types by zoning more land for small lot developments and making more land available for manufactured housing.
3. Develop more government-assisted housing.
4. Reduce development fees for targeted affordable housing developments.

B. Ashland's Efforts at Promoting Affordable Housing

The City of Ashland has made a number of efforts in the last decade to promote affordable housing. These include:

- Permitting accessory units as a conditional use.
- Requiring 25% of units be affordable when new land is annexed for housing.
- Establishing a density bonus for development of affordable housing units. A one- percent bonus is allowed for each percentage of affordable units developed up to a maximum of 25% - 35%.
- Allowing for mixed use development (housing over commercial uses) in commercial zones.
- Allowing manufactured housing in residential areas other than historic districts.
- Revising development standards including narrower streets to reduce housing costs.
- Pursuing outside funding sources for housing including Community Development Block Grant (CDBG) and government assisted housing.
- Creating the Ashland Housing Commission to provide guidance and direction for affordable housing.
- Supporting the establishment of the Ashland Community Land Trust

In addition to City efforts, other organizations are addressing the affordable housing problem in Ashland. These include: the Housing Authority of Jackson County, the Ashland Community Land Trust which is building affordable units in Ashland, the Rogue Valley Community Development Corporation which has built affordable, sales housing in Ashland and has been

awarded a state tax credit grant for affordable rental housing, Habitat for Humanity with a program of assisted self-help housing, ACCESS, the Jackson County anti-poverty agency, and Options which provides housing for persons with disabilities.

The Housing Authority of Jackson County assists low income renters by providing rental vouchers. As of June 2002 there were 197 families in Ashland receiving Section 8 housing vouchers. There are 146 Ashland families on the Housing Authority's waiting list. Renters are responsible for finding available rental units in the private housing market. The Housing Authority does not own or manage rental units in Ashland. As rental rates increase, owners of rental housing which accept Section 8 housing vouchers may no longer accept such tenants. Thus a source of affordable housing may be priced out of the market.

3. HOUSING STRATEGIES

This plan recommends six major strategies for affordable housing in Ashland.

- Provide funding for affordable housing
- Reduce development and operating costs
- Modify land use regulations
- Preserve existing affordable housing and create new affordable housing
- Develop organizational capacity
- Build understanding and support.

STRATEGY 1: PROVIDE FUNDING FOR AFFORDABLE HOUSING

The objective of this strategy is to develop long-term, stable funding sources to produce affordable housing. Funding is at the core of efforts to provide affordable housing. There are many techniques for creating low-cost housing such as tax credits, reducing mortgage interest rates, and providing loans and grants to organizations developing affordable housing. A successful approach will use every available technique. Often what makes a project affordable is the combination of several methods that reduce the costs.

A. Apply for Housing Development Funding

For Ashland, a major source of affordable housing funding is through programs of the Oregon Housing and Community Services Department. The major programs relevant to Ashland are shown in Table 1. The City will not be the developer. In order to access these funds, the City of Ashland will need to work with local non-profit housing organizations such as the Ashland Community Land Trust, the Rogue Valley Community Development Corporation, and ACCESS.

**Table 1. Affordable Housing Programs of the
Oregon Housing and Community Services Department**

1. HOME Program

The Ashland Community Land Trust in June 2002 received a \$518,354 grant reservation of HOME funds for new construction of five housing units in a residential neighborhood for low-income families and individuals.

The HOME Investment Partnerships Program makes funds available for the development of affordable housing for low and very low-income individuals and families, and encourages partnerships among state agencies, local governments, not-for-profit, and for-profit organizations. Approximately \$20 million is available statewide per biennium.

2. Oregon Affordable Housing Tax Credit

Through the use of state tax credits, lending institutions can lower the cost of financing by as much as four percent for housing for low-income households. Applicants can be profit or non-profit housing sponsors, provided the savings from the reduced loans are passed on in the form of lower rents to households. Approximately \$25 million in tax credits will be available in this biennium.

3. Federal Low Income Housing Tax Credits

Federal income tax credits are available for 10 years to owners of qualified low-income, multi-family housing. The tax credits are used to lower rents. Both profit and non-profit housing sponsors may apply. Approximately \$5 million per year is available statewide.

4. Risk Sharing Housing Loan Program

Loans for construction or rehabilitation of multi-family housing. Both profit and non-profit housing sponsors are eligible. \$60 million per biennium is available in Oregon.

5. Predevelopment Loan Program

Short-term loans to pay recoverable affordable housing pre-construction costs. \$4 million revolving loan statewide.

6. Residential Loan Program

Provides below-market interest rate mortgages for eligible first-time homebuyers. The program is aimed at moderate-income homebuyers. Applicants are lending institutions on behalf of moderate-income homebuyers. \$130 million per year statewide.

The City's role is to facilitate applications by non-profit organizations and other eligible organizations. The City will need a Housing Coordinator who researches available funding sources including application procedures and submittal deadlines, develops relationships with funding sources, and works closely with organizations eligible for funding. Through a Housing Trust Fund the City can also provide some of the local funding which is often needed in affordable housing programs.

Recommendation:

- **The City, through a Housing Coordinator, will take necessary steps to facilitate the process of applying for housing development funds by non-profit housing development organizations and other eligible organizations.**

Schedule: 1-5 years. Intermediate and long-term. (Dependent on funding cycles)

B. Create an Affordable Housing Trust Fund

The crux of building or rehabilitating affordable housing is funding the projects. Money is needed to plan the housing, purchase land, provide equity to secure loans, and for up-front costs. While there are many state and federal sources for funding affordable housing, in almost all cases some local funds will be needed to match or supplement grants and loans.

Housing Trust Funds are a means to provide a flexible pool of funding to promote affordable housing. What makes housing trust funds unique is that they have dedicated sources of ongoing, public revenues. There are a wide range of funding sources used in the over 275 housing trust funds that now operate in the U.S. Sources include funds from government bonds, from sale of publicly owned lands, from lottery earnings from property taxes; development fees, and fees on recording mortgages. Housing trust funds can also accept donations of property or funds from individuals and corporations as well as receive funds from foundations.

There is legislation being developed in Congress that will provide a National Housing Trust Fund to match funds for local communities with Housing Trust Funds.

There are at least 37 state housing trust funds including Oregon, Washington and California. There are 42 city housing trust funds in 22 states, plus an additional 142 in New Jersey with a state law that allows cities to levy fees on developers to raise funds for the trust funds.

In Oregon, Washington County has a Housing Trust Fund with revenues from a real estate transfer tax of one-half of 1%. The City of Portland has a fund and has been working at the state legislative level to obtain a real estate transfer tax to provide continuing funding.

Typically housing trust funds do not build or own housing. Rather, the funds distribute monies to non-profit and government organizations that are experienced in building and owning

affordable housing. The funds act as a conduit for housing. City housing trust funds are able to leverage their funds. For every \$1.00 in the fund, they typically raise \$4.89.

A Housing Trust Fund for Ashland could be a City program or it could be established as a non-profit corporation. Either way, there will need to be a board that evaluates proposals for using trust funds for housing projects and provides oversight. Members of the Ashland Housing Commission could serve on such a board. The board could be augmented by City staff such as the city's Housing Coordinator and the Finance Director.

Recommendation

- **Form an Ashland Affordable Housing Trust Fund by directing the Ashland Housing Commission to prepare a specific proposal for such a fund.**

Schedule: Short Term (within 1-2 years).

C. Develop Dedicated Funding Sources for the Housing Trust Fund

The key to Ashland's success in creating a Housing Trust Fund is finding dedicated sources of ongoing revenue. Ten years ago Ashland sold a surplus parcel of land and provided approximately \$90,000 for a Housing Trust Fund. However, it represented a one-time dedication of funding that now has been used up to provide renter and first-time homebuyer assistance and for housing studies.

Ashland also attempted to create an ongoing source of funds through a transfer fee on real estate transactions. The proposal was brought to the voters in 1991 with limited time to discuss the concept and build public support. The measure was defeated. At the state level, during the 2002-2003 legislative session a proposal to permit local governments to levy a real estate transfer tax was developed by proponents from the Portland metropolitan area. The measure was narrowly turned aside. Proponents are discussing strategies for reintroducing a similar measure in the next session. At the federal level, legislation has been introduced to create a national housing trust fund.

There are 38 states including Oregon with Housing Trust Funds¹. At the local level, there are 42 city housing trust funds in 22 states. Although many are in larger cities, there are housing trusts in smaller cities: Menlo Park, Cupertino and Palo Alto in California, Santa Fe, New Mexico, Burlington, Vermont, and Bainbridge Island, Washington.

¹ "Housing Trust Fund Progress Report 2002, Local Responses to America's Housing Needs." (June 2002), Housing Trust Fund Project, Center For Community Change, pg. 7.

Typically city housing trust funds are administered by housing and community development departments by city staff, although a few are independent or administered by a redevelopment agency or a housing commission.

Ashland needs to evaluate a range of alternatives for providing dedicated funds for the Housing Trust Fund. The following are potential sources.

1. Real estate transfer tax

A real estate transfer tax is applied when a home is sold. In Oregon, Washington County is the only county with a real estate transfer tax. Passed in the 1970s, the tax is \$1.00 per thousand. In 2001, the average price of a house sold in Ashland was \$273,063². If the Washington County rate were applied in Ashland, the average tax would have been \$273 per house, raising \$102,398 for a housing trust fund.

Maryland has a tax when recording a property that has been sold. Rates vary by county ranging from a low of \$4.40 per \$1,000 to \$10.00 per \$1,000. Using the lower tax rate of \$4.40 per thousand, if applied by Ashland would be a cost of \$1,201 for an average house of \$273,063 or raised a total of approximately \$450,000 in 2001.

Florida adopted a real estate transfer tax of \$2.00 per thousand (0.02%) which was widely supported by the housing industry including realtors as a way to invigorate the housing industry. The tax generated \$249 million in 2001. This rate applied to Ashland would have raised \$546 per house sold in 2001 or approximately \$204, 800

A real estate transfer tax in the Portland metropolitan area was unsuccessfully proposed in the recent legislative session by the Portland regional housing trust fund. The proposed tax was a rate of 0.75%. This rate, applied to Ashland, would have added a charge of approximately \$2,050 to the average home sold and produced approximately \$767,000 in 2001. Affordable housing advocates in the Portland area are considering a renewed legislative effort next year.

The effect of different rates used for a real estate transfer tax are summarized below:

Assuming 375 sales per year at an average of \$273,063 would yield the following costs and revenues:

<u>Rate</u>	<u>Cost Per House Sold</u>	<u>Revenue</u>	<u>Example</u>
.001	\$273	\$102,398	Washington County, Oregon
.002	\$546	\$204,797	Florida
.0044	\$1,201	\$450,554	Maryland
.0075	\$2,048	\$767,989	Portland metro area (proposed)

² Roy Wright Appraisal Services, Inc.

2. Hotel/motel tax

Ashland has a 7% tax on hotels, motels and bed and breakfast receipts. The tax generates approximately \$1.2 million per year of which two-thirds goes to the City's General Fund. The remaining third (\$384,000 in 2002) is allocated to economic and cultural development including the Ashland Chamber of Commerce, the Oregon Shakespeare Festival and grants for economic and cultural development.

A portion of this tax could be designated for affordable housing. For example, if the amount of the tax devoted to the General Fund were reduced from 67% to 62% this could provide 5% for affordable housing; the amount in 2002 would be approximately \$58,000. This could be a part of a funding base for Ashland's Housing Trust Fund.

3. Prepared food and beverage tax

This 5% tax generates \$1.6 million last year and is dedicated 20% to parks and open space and 80% to wastewater treatment plant construction and debt service. The tax continues until 2010. Any changes as well as renewal will require City Council approval and voter approval for renewal. At the time of renewal in 2010, a portion of the tax could be dedicated to the Housing Trust Fund.

4. Other possible source Some states use interest from "earnest money" held in escrow during the sale of a house to help fund Housing Trust Funds. States include Washington, Missouri, Wisconsin, Colorado and Maryland. This is a potential, though small source of revenue for the trust fund. In 2001 there were 365 housing sales in Ashland with an average price of \$277,742. Assuming a 2% escrow amount held for 60 days, with interest at the prime rate of 4.5%, would generate approximately \$41 per house sold or about \$15,000 per year.

Another source of revenue is a document stamp tax. This would apply to all documents, not just real estate transaction filings. The Housing Commission could investigate and estimate the income that could be derived from a document stamp tax and the costs of administering the tax

Recommendation

- **The Housing Commission should develop recommendations for the City to establish long-term, continuous funding sources for the Housing Trust Fund that provides ongoing revenues for the fund and are supportable by the community.**

Schedule: Medium to Long Term (2-5 years)

D. Encourage Employers To Assist Employees In Home Buying

At the present time major employers in Ashland are finding that roughly half of their employees live outside of Ashland. These employers include the City, Southern Oregon University, Ashland School District, and the Ashland Hospital. The Oregon Shakespeare Festival also has a need for both rental and sales housing in Ashland. Several Ashland organizations are concerned

that with staff turnover, new employees will not be able to find affordable housing in Ashland and have to live outside the community.

The Ashland Housing Commission has convened an Employers Working Group to discuss the issues and develop approaches to assist employees to find affordable housing in Ashland. In other communities, major employers assist employees with down payments. For example, in Portland Wacker Siltronics and Portland Public Schools have down payment assistance programs. Up to \$5,000 is provided. The principle is forgiven if the employee stays five years. Interest rate payments on the loan vary among organizations from a subsidized rate to market rates.

There are a number of programs aimed at helping employers and unions assist workers in homebuying and in developing rental housing. For example, the AFL-CIO has a Housing Investment Trust that promotes housing development. Favorable terms include an interest rate reduction of 0.5%, low 3% to 5% down payment, and mortgage insurance reduced by 30%.

The Federal Home Loan Bank has a Home \$tart Savings Program which includes homebuyer education, a savings account at a local financial institution, and a grant which matches every dollar saved with a \$3 grant towards a down payment on a house. For example, \$1,000 saved in the account would result in a \$3,000 grant for a total of \$4,000 that could be applied to a down payment on a house for first-time homebuyers.

The HomeStreet Bank with headquarters in Seattle has programs for first-time homebuyers which operates in coordination with employers. The program includes homebuyer education, reduced down-payment requirements, and lower interest rates. The bank has a program currently operating in Portland and Salem and is considering expanding to other cities in Oregon

Recommendation

- **The Housing Commission should continue to convene an employers group and develop approaches whereby employers can assist employees in securing affordable housing either through down payment assistance for home ownership or through rental programs that are assisted.**

Schedule: Short term (1-2 years)

STRATEGY 2: REDUCE DEVELOPMENT AND OPERATING COSTS

The objective of this strategy is to lower the costs of both building and operating affordable housing. Lower development costs will mean more low-income persons can buy homes or be able to rent units at affordable levels. Ashland currently defers system development charges on affordable housing. This practice should be continued. If budgetary impact is a concern, the City can set a limit on the total amount of fees waived for affordable housing each year.

A. Waive System Development Charges

Approach

The City currently defers SDCs for affordable housing projects for the initial developer/buyer. The SDC is secured by a second mortgage that is recorded, treated as a loan and accrues interest each year. If the home is sold to a subsequent non-qualified buyer the principal and interest are due. The City should remove this requirement and waive SDCs altogether for affordable units. If the City does so, it is recommended that some measure(s) be taken to ensure that the housing unit remains affordable for 60 years. Otherwise, the benefit of the SDC waiver and increase in the supply of affordable housing will continue to be only temporary.

Other cities with SDC waivers include:

- **Salem.** SDCs are waived for housing provided by the Salem Housing Authority and any unit that receives city administered federal housing funds and is affordable to families below 80% of the city's median household income (MHI).
- **Eugene.** SDCs are waived for rental housing for low-income persons (less than 60% MFI) and owner-occupied housing for persons with less than 80% MFI.
- **Lake Oswego.** The city has a graduated SDC. The SDC may be proportionately reduced if "evidence indicates that construction, alteration, additional, replacement or change in use does not increase the parcel's or structure's use of the systems to the degree calculated in or anticipated by the methodology for the particular SDC."

The City of Ashland's currently assesses SDCs for water, sewer, storm sewer, parks and transportation facilities, as well as a separate connection fee. Fees vary by size of residential unit. For single-family housing units, they total between approximately \$6,500 for a 1,000 square foot home and \$13,000 for a 3,000 square foot home, not including permit, community development and engineering fees. For multi-family units, fees are somewhat lower.

Potential Impact

Waiving these fees would reduce the cost of building a new single-family home by between 10 and 13%, depending on the size and value of the home. If the City were to waive these fees for 10 affordable units per year, this measure also would reduce annual city revenues by about \$100,000 to \$200,000. This would represent a significant investment in affordable housing (in terms of deferred/lost revenues) by the City.

Recommendations

- **Ashland should continue the program of deferring systems development charges for affordable housing while requiring that participating housing units remain within the pool of affordable housing.**
- **Ashland should identify an annual amount of SDC fees waived. The cap should reflect the amount of resources the City can reasonably devote to affordable housing programs in light of other ongoing programs and implementation of other strategies identified in this report.**

Schedule: Short to Medium Term (within 1 - 3 years)

B. Waive Other Planning, Permitting or Other Fees

Approach

Another cost-reduction method would be to waive other fees associated with housing development, particularly planning, permitting and inspection fees. Currently, the City charges three major fees – permit, community development and engineering fees. Estimated 2001 permit fees ranged from \$1,000 to \$1,700 for single-family residences. Community development and engineering fees are 0.90% and 0.75% of the value of the dwelling, respectively. For a \$175,000 home, this equates to about \$1,550 and \$1,300 respectively.

Other cities in Oregon that currently waive these types of fees for Affordable Housing projects include Portland and Eugene. In Portland, the Portland Development Commission annually sets aside up to \$500,000 for fee waivers for non-profit organizations that develop affordable housing. Fees can be waived for building permits or zoning applications. The Portland Bureau of Buildings also waives inspection, plan review and other fees for qualifying non-profit affordable housing developers within certain guidelines. The City of Eugene waives planning and development permit fees for affordable housing projects for up to \$50,000 per year.

The City also charges a hookup fee for connection to sewer, water and electric utilities. Year 2001 connection fees were \$3,537, or one to three percent of the value of a single-family home.

As the local sewer, water and electric utility provider, Ashland collects monthly fees for these utility services. For apartment units, a typical utility bill is \$40-\$50; for single family homes, \$80-\$90. The City could waive or reduce one or more of these fees for low-income households meeting certain eligibility criteria.

Potential Impact

Waiving permit, community development and engineering fees in part or in total could reduce the cost of housing development by about one to three percent of the cost of developing a single-

family home. This could reduce housing development costs by an additional one to three percent per unit and also reduce the monthly utility costs.

Recommendations

- **The City should determine which planning and development fees or utility fees could be reduced or waived for affordable housing.**
- **The City should determine an annual limit on the total amount of fees waived. The cap should reflect the amount of resources the City can reasonably devote to affordable housing programs in light of other ongoing programs and implementation of other strategies identified in this report.**

Schedule: Short to Medium Term (within 1 - 3 years)

STRATEGY 3: ADOPT LAND USE REGULATIONS TO PROMOTE AFFORDABLE HOUSING

Since preparing its original Affordable Housing Plan, prepared in 1990, the City has implemented a number of regulatory strategies, including recommended in that plan, including:

- Allowing for the development of accessory residential units as a conditional use in single-family residential zones
- Establishing a density bonus for development of affordable housing units. A one- percent bonus is allowed for each percentage of affordable units developed up to a maximum of 25% - 35%.
- Allowing for mixed use development (housing over commercial uses) in commercial zones.
- Requiring that annexations include provisions to ensure development of a certain percentage of affordable housing.

Additional regulatory strategies proposed and discussed in this report include:

- Zone additional land for multi-family development.
- Prohibit or restrict the development of single-family housing in multi-family residential zones.
- Strengthen provisions for accessory residential units to encourage their development.
- Require a percentage of small lots in all single-family developments.

A. Identify and Zone Additional Land For Multi-Family and/or Affordable Housing Development

Approach

Multi-family housing tends to be less costly than single-family housing in terms of monthly payments and the amount of money needed for a down-payment on a single-family home. This is particularly true in Ashland, where single-family housing prices are very high. In Ashland, multi-family housing represents an important source of affordable housing.

The Housing Needs Analysis prepared by ECONorthwest (ECO) indicates that over the past three years, very little multi-family housing has been developed. Single-family housing has accounted for 89% of all units built during that period. Between 1990 and 2001, single-family housing accounted for about 85% of all residential housing units. In the last 10 years only 9% (162 units) of the 1,842 building permits issued were for multi-family units. Historically, the mix of housing units has been 52%/48% owner-occupied/rental housing. The majority of owner-occupied units are single-family dwellings.

In addition, a significant amount of single-family development has occurred in multi-family zones, in the form of single-family attached and detached (primarily attached), owner-occupied housing. This has further reduced the supply of vacant land available for future multi-family development. The ECO report indicates that the remaining supply of land for multi-family housing is not adequate to meet long term (20 year) needs, given their estimate of the need for new multi-family units. The report includes a recommendation to zone additional lands for multi-family development to meet long term needs.

The following criteria could be used to identify lands to be rezoned for multi-family housing:

- Areas large enough to accommodate multi-family unit developments.
- Land with adequate transportation access, including close proximity to an existing or planned transit route
- Relatively flat areas without significant physical constraints or environmental concerns (i.e., slopes, riparian areas and/or floodplains)

In addition to possibly rezoning land for multi-family use, it is recommended that the City identify specific areas with high potential for future affordable housing developments. Criteria would be similar to those listed above. Targeting such land would help in specific area planning efforts and in working with other affordable housing developers as they identify possible land to acquire and develop.

Based on these criteria and review of the City's buildable lands inventory and map, City staff have identified several potential areas to target for possible future affordable housing projects or possible rezoning to allow for multi-family or mixed-use development:

- The area south of East Main Street between the city limits and urban growth boundary, and east of the Ashland Middle School and west of Tolman Creek Road. This area is relatively flat, includes several large parcels, and is adjacent to a transit route and close to commercial services.
- The "Railroad Property" situated north of the railroad and bounded by Oak Street on the west and Mountain Avenue on the east. This area historically has been considered for a mix of uses including multi-family development. It is close to the downtown core, with good access to transportation facilities and commercial services.
- The abandoned mill site south of Mistletoe Road and east of Tolman Creek Road. While this site is zoned and historically has been used for industrial use, the City has examined previous proposals for a mixed-use development on this site that could incorporate some affordable housing or multi-family development, along with continued industrial or commercial use. The site is fairly large, flat and has good access to transportation and commercial facilities.
- The "Tolman Creek Neighborhood Planning Area" located east of Tolman Creek Road and west of the Hamilton Creek floodplain. This is another relatively large, flat area. It is currently zoned for single-family residential development but has been considered a candidate for multi-family residential and neighborhood commercial uses.
- The area west of North Mountain Avenue and immediately north of the railroad tracks.
- Existing city-owned surface parking lots in or in close proximity to the downtown. These sites could be targeted for application of recently enacted vertical housing development tax exemptions. The new law provides a partial tax exemption for certified projects that include a ground floor or lower floors occupied by commercial uses and one or more upper floors of residential uses. The allowable exemption is for 20% of assessed value on land and improvements for each floor up to four floors of residential use with a maximum partial tax exemption of 80%. Other than these relatively small lots, the City does not own any parcels suitable for affordable housing development.

In addition, the City, School District, Ashland Community Hospital and others have discussed the possibility of partnering in an affordable housing development on a parcel of land outside the City's urban growth boundary. In terms of land ownership, land costs, and the characteristics identified above, it would make sense to target this property for development of affordable housing. At the same time, it likely will be challenging to justify expanding the UGB to include this property. To justify a UGB expansion, a City must prove the need for additional land to meet long-term (20 year) needs for population/housing and employment.

Some cities have successfully expanded their boundaries to bring in land with specific characteristics needed for certain types of development. For example, it is possible to justify expansion to include large parcels with the potential for industrial development if no other large

parcels exist (even if the total acreage of small parcels is adequate to meet projected future needs. Similarly it may be possible to include a parcel within the urban growth boundary for the express purpose of accommodating a specific public need such as permanent affordable housing.

Potential Impact

It is difficult to quantify the direct impact of this strategy in terms of the number of affordable housing units that could result. While it may not result in the immediate creation of additional affordable housing, it would increase the potential for future development of multi-family and/or affordable housing.

Recommendations

- **Identify additional land rezoning to multi-family use and/or development of affordable housing. Use clear criteria and conduct an inclusive public process to do so.**
- **Identify a target site, preferably city-owned land with the potential for multi-story mixed use development, for use of the new state vertical housing tax exemptions.**
- **Investigate with state agencies and others the feasibility of pursuing a UGB amendment for the property outside the UGB owned by the Ashland School District.**

Schedule: Medium to Long Term (1-3 years)

B. Limit or Restrict Single-Family Housing in Multi-Family Residential Districts

Approach

This strategy also is recommended in the ECO report as a possible means of maintaining the long-term supply of land for multi-family housing. As noted above, because of the extremely strong market for single-family housing in Ashland, a significant amount of single-family housing has been built in multi-family zones. This reduces the supply of land for multi-family development, which is particularly problematic given the potential difficulty in rezoning land from single-family to multi-family use. Currently, the City's zoning ordinance allows single-family homes as an outright permitted use in all multi-family districts. Several options that could be used to restrict single-family development in multi-family zones are discussed below.

1. **Do not allow single-family development at all in multi-family zones** (i.e., remove it from the list of permitted uses in these zones). This is the most restrictive of these options. While it would be the most effective, it also likely could generate the most political controversy and potential opposition from the public or development community. However, this option is not without precedent. The City of Portland does not allow for new single-family development in any of its multi-family zones.
2. **Allow for single-family development as a permitted use in selected multi-family zones, but not others.** The City could continue to allow for single-family development in its

medium density multi-family (R-2) zone but restrict it in the high density (R-3 zone). This is the approach taken by the City of Corvallis. In Corvallis, single-family dwellings or townhouses are allowed in the City's RM1 multi-family zone. In the higher density RM2 zone, only replacement of a single-family dwelling is allowed. Finally, in the RH (multiple family high-rise residential), single-family dwellings are not allowed. This approach is more permissive and likely would be less effective than the more restrictive option described above. At the same time, it may generate less controversy and/or opposition.

3. **Allow for single-family development as a special permitted use in multi-family zones.** Currently, residential uses are special permitted uses in Commercial and Employment zones. A similar approach could be considered in multi-family zones when, subject to additional requirements, single-family uses on individual lots (attached or detached) could be permitted only when in conjunction with rental housing. Some additional items to consider might include setting a maximum percentage of single-family units in the project, as well as affordability levels for rentals (i.e. households at 80% of the area median). This would have to be structured as a voluntary provision.
4. **Allow for single-family development as a conditional, rather than permitted use, in multi-family zones.** This approach is used by the City of Bend, where single-family dwellings are allowed as conditional uses in selected multi-family zones. The conditions upon which those or other conditional uses are allowed include:
 - (a) *That the location, size, design and operating characteristics of the proposed use are such that it will have a minimal adverse impact on the property value, livability and permissible development of the surrounding area. Consideration shall be given to compatibility in terms of scale, coverage, and density, to the alteration of traffic patterns and the capacity of surrounding streets, and to any other relevant impact of the proposed use.*
 - (b) *That the site planning of the proposed use will, as far as reasonably possible, provide an aesthetically pleasing and functional environment to the highest degree consistent with the nature of the use and the given setting.*
 - (c) *If the use is permitted outright in another zone, that there is substantial reason for locating the use in an area where it is only conditionally allowed, as opposed to an area where it is permitted outright.*
 - (d) *That the proposed use will be consistent with the purposes of this ordinance, the Comprehensive Plan, Statewide Goals, and any other statutes, ordinances or policies that may be applicable.*

Ashland could identify similar conditions for development of single-family homes in multi-family districts. While conditions (a), (b) and (d) could be relatively easy to satisfy in many cases, condition (c) is likely to be a fairly strong deterrent to continued development of single-family in multi-family zones. The City alternatively could identify other conditions, such as that a single-family development include a certain percentage of units affordable to people in certain income ranges.

While this approach is less restrictive than completely disallowing single-family development in multi-family zones, it could be very effective if the conditions are difficult to meet or result in development of additional affordable units. It likely would be more effective than continuing to allow for single-family dwellings as outright permitted uses in some multi-family while disallowing them in others.

Potential Impact

It is difficult to quantify the direct impact of this strategy in terms of the number of affordable housing units that could result. As with the approach of zoning additional land for multi-family housing, this measure may not result in the immediate creation of additional affordable housing, though it would increase the potential for future development of multi-family housing. Such housing is expected to be affordable to a higher percentage of Ashland residents and workers than much of the City's current stock of single-family homes.

Recommendation:

- **Restrict further development of single-family housing in multi-family zones by prohibiting it in one or more multi-family districts or allowing it only as a conditional use subject to clear conditions and criteria.**

Schedule: Medium to Long Term (1-3 years)

C. Further Encourage Development of Accessory Dwelling Units

Approach

These units provide an excellent source of affordable housing, particularly for elderly or single residents. Ashland already allows for the development of accessory units as a conditional use in single-family residential areas. They must meet the same lot coverage and setback standards as the base zone, are limited to 50% of the size of the primary unit on the lot, and cannot exceed 1,000 square feet. Accessory units must be approved through a Type I procedure. This is the most permissive of the City's conditional use approval procedures and allows approval at the staff level if there is no public request of a Council review or public hearing process.

Additional steps could be taken to further encourage development of accessory dwelling units by reducing potential barriers to their approval. Options could include:

- Make them an outright permitted use subject to existing planning, zoning and building requirements. Additional criteria also could be developed to address possible public concerns about design or compatibility with existing neighborhoods and structures (e.g., buffering requirements, restrictions on placement on the existing lot or relative to the primary dwelling, design guidelines, etc.). This also would reduce the cost of building accessory units, as the current fee for a conditional use permit with a Type I review is \$500.

- Relax lot coverage or setback requirements. For example, overall lot coverage limits could be increased and rear setback requirements decreased. This would make construction of accessory dwellings possible in more cases, particularly on lots where the existing primary dwelling currently covers a larger percentage of the lot.

A number of other communities in Oregon allow accessory units as a permitted use. They must meet conditions similar to other permitted uses (e.g., setbacks, lot coverage, etc.) but are not required to go through a conditional use process. In some cases, this represents a change from previous procedures. Following is a summary of how some of these communities approach this issue.

Accessory Dwelling Units in Other Oregon Cities	
<i>City</i>	<i>Practice/impact</i>
Albany	<p><i>Practice</i></p> <ul style="list-style-type: none"> • Accessory units are allowed outright. The City recently has changed its code to emphasize that accessory dwellings need to be subordinate to the main structure. <p><i>Impact</i></p> <ul style="list-style-type: none"> • Does not track amount of accessory dwellings permitted.
Corvallis	<p><i>Practice</i></p> <ul style="list-style-type: none"> • Accessory units are allowed outright. Prior to 1996, they were allowed as conditional uses. <p><i>Impact</i></p> <ul style="list-style-type: none"> • The city permitted a total of only 1 or 2 units before 1996. Since 1996, they have permitted 20.
Eugene	<p><i>Practice</i></p> <ul style="list-style-type: none"> • Accessory units are allowed outright only in the R-1 residential zone. The City recently updated its 30-year old code, which also allowed them. <p><i>Impact</i></p> <ul style="list-style-type: none"> • The City does not track the number of accessory units permitted.
Gresham	<p><i>Practice</i></p> <ul style="list-style-type: none"> • The City has allowed accessory units outright for the last four to five years. They previously not allowed at all. <p><i>Impact</i></p> <ul style="list-style-type: none"> • Four accessory units have been permitted so far in 2002, one in 2000, and three in 1999.
Portland	<p><i>Practice</i></p> <ul style="list-style-type: none"> • The City always has allowed accessory units outright but recently liberalized requirements for them. <p><i>Impact</i></p> <ul style="list-style-type: none"> • Since amending its requirements, the number of accessory units permitted annually has approximately doubled, from 20/year to 40/year.
Salem	<p><i>Practice</i></p> <ul style="list-style-type: none"> • Accessory units are not allowed outright.

Potential Impact

During the past five years, the City has approved about 5 – 8 accessory dwellings per year. Based on evidence from other communities summarized above, further reducing obstacles to their development likely would increase the pace of this development, directly resulting in development of more affordable housing units. If the number of units increased by 50% to 100% (similar to other communities surveyed), about 3 – 8 additional units would be constructed per year.

Recommendations

- **Amend current policies to allow accessory units as a permitted use in single-family zones, subject to the same conditions for other types of single-family residences.**
- **Slightly reduce maximum total lot size coverage requirements for accessory units.**

Schedule: Short Term (within 1 year)

D. Allow For Or Require Single-Family Residential Development On Small Lots

Approach

In 1999, the Oregon Legislature passed House Bill 2658, prohibiting mandatory inclusionary housing programs, i.e., requirements that developers include a certain percentage of affordable units in any development. Therefore, inclusionary housing requirements per se are not an option for Ashland at this time.

However, other requirements that could stimulate development of lower cost housing could be implemented. For example, the City could require that developments of a certain size include a certain percentage of small lots (e.g., 2,500 – 3,500 square feet). Given the high cost of land in Ashland, this could result in development of more affordable single-family housing, though it still may not be affordable to a significant portion of the population, given the single-family housing market. Alternatively, the City could reduce the minimum lot size in single-family residential zones. While this ultimately could result in more development on small lots, it also could generate concerns about compatibility with the character of existing residential neighborhoods and result in public or political opposition.

Small lot development has been allowed, encouraged and/or required in a number of large residential developments in the Portland metropolitan region, including Fairview Village in Fairview and Orenco Station in Hillsboro. In addition, many older, established residential neighborhoods in the City of Portland contain a significant number of relatively small existing lots (e.g., 3,300 square feet).

Potential Impact

It is difficult to measure the potential impact of this strategy in terms of development of additional affordable units. Over the long term, it could result in a moderate number of new affordable units.

Recommendation

- **Allow for or require a certain percentage of development on small lots within new subdivisions.**

Schedule: Short to Medium Term (within 1 - 3 years)

STRATEGY 4: PRESERVE EXISTING AFFORDABLE HOUSING; CREATE NEW AFFORDABLE HOUSING

A. Promote Permanent Affordability by Working with Non-Profits

Ashland needs to both preserve the existing affordable housing stock in the community as well as create new affordable housing through development. Private market forces in Ashland are driving up the prices of housing. Housing sales prices increased almost 50% between 1998 and 2001. These forces will continue to increase housing costs for both homebuyers and renters. The City has little ability to directly affect the rental and sales prices in the private housing market. Direct interventions such as rent control that was used during World War II are rarely used any more.

Permanent affordability is best assured when the units are owned by a non-profit affordable housing organization such as the Ashland Community Land Trust, ACCESS, Options, or the Rogue Valley CDC, or by a public entity such as the Jackson County Housing Authority.

Recommendation

- **The City should promote permanent affordable housing by working with non-profits to develop housing in Ashland. These include the Ashland Community Land Trust, the Housing Authority, and other organizations such as ACCESS, Rogue Valley CDC, and Options.**

Schedule: Housing development: Long Term (1-5 years)

B. Promote Long-Term Affordability Through Deferring or Waiving Fees

Promoting affordability by providing deferment or waiver of fees (systems development charges, utility charges, planning fees) in exchange for maintaining affordability does not necessarily guarantee permanent affordability. Over time the value of the housing may increase so that the owner may repay the fees and sell the property at market rates.

Long-term (but not permanent) affordability can be promoted where rents or sales prices are kept affordable for 10, 20, 40 or 60 years in return for reductions in fees or other considerations. For example, the Oregon Housing and Community Services requires multi-family projects developed using their programs be maintained as affordable for 30 years. Portland's Housing Preservation Ordinance requires any units built with City funds must remain affordable for a period of 60 years.

- **The City should promote long-term affordability by requiring that housing remain affordable for a period of 60 years if it has received fee deferments or waivers.**

Schedule: Policy development: Short Term (within 1 year)

STRATEGY 5: DEVELOP ORGANIZATIONAL CAPACITY FOR AFFORDABLE HOUSING

Over the last dozen years Ashland has taken a number of steps to address the issue of affordable housing. Some of the significant steps include the formation of the Housing Commission, the application for Community Development Block Grant funds and using the funds in recent years primarily for housing, and preparation of two affordable housing studies in 1990 and 1995.

Within the City administration, coordination for affordable housing has been done by the Planning Department. Because of the relatively small size of the City of Ashland and its planning staff, affordable housing coordination is one of many functions of the planning staff. However, affordable housing is a complex and demanding field. There are a wide array of programs, funding sources, and perspectives requiring full-time attention.

A. Create a Full-Time Affordable Housing Coordinator Position

Create a full-time affordable housing coordinator to bring together all functions that directly relate to affordable housing. These could include the following: preparing the Community Development Block Grant annual funding application, staffing the Housing Trust Fund and the Housing Commission, coordinating with non-profit affordable housing development organizations, maintaining relationships with the Oregon Department of Housing and Community Services, and working with local lending institutions on affordable housing.

The role of the City would continue to be promoting and coordinating efforts for affordable housing. The City would not become a developer or owner of affordable housing, but would work with organizations that provide those services.

Potential Impact

A Housing Coordinator could bring focus and continuity to the City's affordable housing programs. This should lead to a more effective program and additional outside funds coming into the community for affordable housing. It would free up Planning Department staff time currently required for affordable housing staff work. The staff position would require funding.

- **The City of Ashland should create a full-time position to coordinate affordable housing programs.**

Schedule: Short Term (within 1 year)

B. Develop Working Relationships with Housing Organizations

A major role of the Housing Coordinator will be to develop effective working relationships with non-profit housing organizations that will be the developers, owners and managers of affordable housing in Ashland. These include the Ashland Community Land Trust, Housing Authority of Jackson County, Rogue Valley CDC, ACCESS, Options, and Habitat for Humanity.

The Housing Coordinator could serve on boards of the different housing development organizations, attend planning meetings, or in other ways establish working relationships with the staff of these organizations.

In addition to the non-profit organizations, the Housing Coordinator can also develop working relationships with housing organizations in the private sector including the homebuilders, and realtors.

- **The Housing Coordinator should develop effective working relationships with housing organizations in the City and County.**

C. Continue the Ashland Housing Commission

The Ashland Housing Commission has been a citizen group advocating for affordable housing. The Commission produced two reports on affordable housing, one in 1990 and another in 1995. The Commission should consider additional ways to provide both a voice and focus for citizen efforts to promote housing.

As described in Strategy 6, the Housing Commission should develop a public information program for affordable housing. The Housing Commission could also be the sponsor of an annual Affordable Housing Conference. The conference could be designed to appeal to both

professionals in the field of housing, organization that are affected by the supply of affordable housing such as the five major employers in the City (the University, Shakespeare Festival, the hospital, the schools and the city) as well as citizens. The Housing Commission could also develop an annual "Report Card" on affordable housing indicating strategies and accomplishments.

- **The Housing Commission should continue in its role as an advocate for affordable housing including developing an affordable housing public information program, and consider sponsoring an annual housing conference and a "Report Card" on affordable housing.**

STRATEGY 6: BUILD UNDERSTANDING AND SUPPORT FOR AFFORDABLE HOUSING

There is considerable understanding and support for affordable housing among the civic leadership in Ashland. In interviews with major Ashland employers, we found concern about the need for housing within Ashland for their staff, and this concern is expressed in the participation of the Employer Working Group. The City Council over the years has adopted ordinances promoting and encouraging affordable housing.

As Ashland moves towards implementation action, it will be necessary to have broad-based support of City actions to promote affordable housing. This support needs to be built among the business community as well as among residents.

The case for affordable housing can be based upon the facts and trends outlined in the Needs Analysis. The community is faced with very strong market pressures that will, in time, reduce the supply of affordable housing. Current residents as well as new residents will find it harder and harder to remain in Ashland (particularly if they are renters), or live in the City.

While there are very tangible impacts to such a pattern including increased commuting, effects on traffic and air quality, inconvenience for employees and employers, the situation will also change the character of the community. The City will lose some of its economic and cultural diversity as well as stability which makes it the kind of place that it is.

A. Develop a Public Information Program for Affordable Housing

Those concerned with affordable housing including City leaders and the Housing Commission will need to find ways to promote understanding as well as build support for specific policies and actions. The Housing Commission should consider developing a public information program that could include different messages, media, and programs.

- **The Housing Commission should develop a public information program for affordable housing that explains the needs and build support among the general public as well as community leaders.**

The public information program could include some or all of the following:

1. Distribution of the "Affordable Housing Needs Analysis and Action Plan" to community leaders.
2. Prepare a summary of this housing report available for wider distribution.
3. Continue the "Affordable Housing" page on the City's website and expand it to include a summary of this report.
4. Make presentations about the study to service clubs and professional organizations. Encourage the Chamber of Commerce to create an Affordable Housing Committee as one of its Community Issues.
5. Encourage the local press to prepare feature stories about affordable housing, particularly when projects are being planned and developed.
6. Conduct an annual house tour of historical homes in Ashland and include information or site visits to affordable housing projects. The house tour could be a fundraiser for the public information program.

Schedule: Short Term (begin within 1 year; continue thereafter.)

B. Prepare an Annual Affordable Housing Report

As indicated previously, the Housing Commission should prepare an Annual Housing Report that describes the progress towards carrying out the recommendations of this report. The "report card" will give the Housing Commission and the community a chance to mark and celebrate progress in providing affordable housing, and to restate the strategies and actions needed. The report does not need to be elaborate, but it should be clear and to the point providing both community leaders and the general public with a sense of progress that is being made.

➤ **The Housing Commission should prepare an Annual Affordable Housing Report.**

Schedule: Short Term (begin within 1 year; continue thereafter.)

C. Hold an Annual Affordable Housing Conference

Each year, the Housing Commission should hold a conference about affordable housing for local affordable housing organizations, citizens, employers, and others concerned with Ashland's affordable housing. The conference could be carried out with other municipalities in the Rogue Valley including Medford, the Housing Authority and the non-profits involved in affordable housing with the assistance of the State Division of Housing.

The conference will provide an opportunity to stake stock of the progress towards meeting affordable housing strategies, educate citizens, and learn about successful techniques, funding mechanisms and experiences of other communities.

➤ **The Housing Commission should hold an Annual Affordable Housing Conference.**

Schedule: Short Term (begin by the second year; continue thereafter.)

4. ACTION PLAN

The Action Plan shown in the following table lists the strategies and specific recommendations together with a schedule and who has key responsibility for implementing the action. Most of the actions will be carried out over the same time period and in coordination with other actions.

ACTION PLAN		
<u>Strategy and Action</u>	<u>SCHEDULE (YEARS)</u>	<u>Responsibility</u>
<u>Strategy 1. Provide Funding for Affordable Housing</u> A. The City, through a Housing Coordinator, should facilitate the process of applying for housing development funds by non-profit housing development organizations and other eligible organizations. B. Form an Ashland Affordable Housing Trust Fund by directing the Ashland Housing Commission to prepare a specific proposal for such a fund. C. Develop long-term, continuous funding sources for the Housing Trust Fund that provides ongoing revenues for the fund and are supportable by the community. D. The Housing Commission should continue to convene an employers group and develop approaches whereby employers can assist employees in securing affordable housing either through down payment assistance for home ownership or through rental programs that are assisted.	1-5	City, Non-profit developers
	1-2	City
	1-3	City
	1	Housing Commission
<u>Strategy 2: Reduce Development and Operating Costs</u> A.1 Ashland should continue the program of deferring systems development charges for affordable housing while requiring that participating housing units remain within the pool of affordable housing.	1-3	City

<p>A.2 Ashland should identify an annual limit on the total amount of SDC fees waived. The cap should reflect the amount of resources the City can reasonably devote to affordable housing programs in light of other ongoing programs and implementation of other strategies identified in this report.</p> <p>B.1 The City should determine which planning and development fees or utility fees could be reduced or waived for affordable housing.</p> <p>B.2 The City should determine an annual limit on the total amount of fees waived. The cap should reflect the amount of resources the City can reasonably devote to affordable housing programs in light of other ongoing programs and implementation of other strategies identified in this report.</p>	<p>1-3</p> <p>1-3</p> <p>1-3</p>	<p>City</p> <p>City</p> <p>City</p>
<p><u>Strategy 3: Adopt Land Use Regulations to Promote Affordable Housing</u></p> <p>A.1 Identify additional land rezoning to multi-family use and/or development of affordable housing. Use clear criteria and conduct an inclusive public process to do so.</p> <p>A.2 Identify a target site, preferably city-owned land with the potential for multi-story mixed use development, for use of the new state vertical housing tax exemptions.</p> <p>A.3 Investigate with state agencies and others the feasibility of pursuing a UGB amendment for the property outside the UGB owned by the Ashland School District.</p> <p>B. Restrict further development of single-family housing in multi-family zones by prohibiting it in one or more multi-family districts or allowing it only as a conditional use subject to clear conditions and criteria.</p> <p>C.1 Amend current policies to allow accessory units as a permitted use in single-family zones, subject to the same conditions for other types of single-family residences.</p> <p>C.2 Slightly reduce maximum total lot size coverage requirements for accessory units.</p>	<p>1-3</p> <p>1-3</p> <p>1-3</p> <p>1-3</p> <p>1-3</p> <p>1-3</p> <p>1-3</p>	<p>City</p> <p>City</p> <p>City</p> <p>City</p> <p>City</p> <p>City</p> <p>City</p>

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